



Stock Exchange of Mauritius

SEM YOUNG INVESTOR AWARD 2019

Rules of the Competition

1. The competition is open to all secondary schools offering HSC courses and is limited to 2 teams per school.
2. Each school team shall consist of 5 members, who must all be Lower VI students.
3. Each team will be required to invest by 27 March 2019 an investment fund of Rs 200,000 of token money over a 3-month period and submit their initial portfolios to the Stock Exchange of Mauritius (SEM) at latest on that date. The initial portfolio will be calculated using the closing price of 01 April 2019.
4. In the event that a participant is transferred from one secondary institution to another, the latter will have to be replaced by another participant of the same institution.
5. The participating team is allowed a maximum of 5 swaps.
6. A minimum of 5% of the total share portfolio should be invested in any single stock, at any point in time during the course of the competition.
7. No more than 40% of the total share portfolio should be invested in any one company at any point in time during the course of the competition.
8. All correspondence sent to the Stock Exchange, other than investment swaps and the Report, should bear the signature of the Rector.
9. The price used to evaluate portfolios will be the closing price of the last trading session of the competition. (i.e. price at 28 June 2019)
10. In event of any rights issues, on the Ex-Rights (ER) date, the Rights will be deemed to have been sold at [Ex-Rights (ER) Reference price - Issue Price].

11. In the event where a company is merged or taken over by another company, the value of the shareholding will automatically be used to purchase shares in the new company to the equivalent value.
12. Each team will first select among the existing listed companies and ETFs, 5 securities which in their view represent the best investment opportunities over the next three months, and then allocate an investment fund of Rs 200,000 to each of these 5 securities so as to achieve the best total return (dividends and capital gains) at the end of the three-month period.
13. At the end of the competition, each team will be required to present **ONE Report, in two parts:** (Investment Plan and Investment Report). The Report will carry **30%** of the marks, the remaining **70%** will be allotted to the profits realised on the portfolio.
14. The conversion rate applied to convert foreign currencies in MUR will be the CDS Conversion Rate (CCR) of the trade day as defined under section 7.7.1 of the CDS Procedures. CDS is a subsidiary of the Stock Exchange of Mauritius.

CCR shall be computed as follows:

$$\text{CDS Conversion Rate (CCR)} = \text{Average Par rates of the settlement banks}$$

$$\text{Where, Par Rate} = \frac{\text{T.T Buying Rate} + \text{T.T Selling Rate}}{2}$$

15. The Stock Exchange shall have the right to make a pre-selection of the participating teams at the final marking stage and take any other decisions for the good conduct of the competition. All participating teams shall abide by its decisions which shall be final.

March 14, 2019